

NCA  
VOC FOR PGM/FN  
BACKGROUNDER NO. 5-6037  
JOHN PAXSON/CHICAGO

JULY 27, 1978

# INTERNATIONAL HARVESTER

ANNCR:

SINCE THE ARREST IN JUNE OF ONE OF ITS EMPLOYEES IN MOSCOW, THE INTERNATIONAL HARVESTER COMPANY HAS CANCELLED ALL EQUIPMENT SALES TO THE SOVIET UNION. AND NOW THE COMPANY IS ORGANIZING A PROTEST AGAINST THE SOVIETS OVER THE ARREST ON CURRENCY-VIOLATION CHARGES OF ITS EMPLOYEE, JAY CRAWFORD. HERE'S A CLOSER LOOK AT THE HARVESTER COMPANY, PREPARED BY CORRESPONDENT JOHN PAXSON.

VOICE:

INTERNATIONAL HARVESTER HAS BEEN IN BUSINESS FOR ALMOST ONE HUNDRED AND FIFTY YEARS, GROWING FROM A SMALL ONE-MAN OPERATION IN VIRGINIA INTO A GIANT MULTINATIONAL CORPORATION WITH TRADE DEALINGS AROUND THE WORLD.

IT BEGAN IN 1831 WHEN A VIRGINIA NAMED CYRUS MCCORMICK INVENTED AN AUTOMATIC REAPER. HE BROUGHT THE INVENTION TO CHICAGO AND BEGAN MARKETING IT THROUGH THE AMERICAN MIDWEST. THE REAPER WAS AN ALMOST INSTANT SUCCESS AND, BY 1851, THE MCCORMICK HARVESTER COMPANY--AS IT WAS THEN CALLED--BEGAN MARKETING THE MACHINE OVERSEAS, THUS BECOMING ONE OF THE FIRST TRUE TRANSNATIONAL CORPORATIONS.

TODAY, INTERNATIONAL HARVESTER IS ONE OF THE WORLD'S LEADING PRODUCERS OF TRUCKS, FARM EQUIPMENT AND HEAVY CONSTRUCTION EQUIPMENT, ITS SALES VOLUME RIVALED ONLY BY SUCH FIRMS AS CATERPILLAR AND GENERAL MOTORS. WITH PLANTS IN AUSTRALIA, TURKEY, MEXICO AND WESTERN EUROPE, ITS PRODUCTS ARE SPREAD AROUND THE WORLD. ON ITS PAYROLL ARE NEARLY ONE HUNDRED THOUSAND PEOPLE. AND LAST YEAR HARVESTER'S SALES TOTALED MORE THAN SIX THOUSAND MILLION DOLLARS, FULLY ONE-THIRD OF WHICH CAME FROM OUTSIDE NORTH AMERICA.

HARVESTER'S DEALINGS WITH THE SOVIET UNION ARE NEARLY AS OLD AS THE COMPANY. IT OPENED ITS FIRST OFFICE IN RUSSIA ONE HUNDRED AND TWENTY SEVEN YEARS AGO TO MARKET THE NEWLY-PATENTED REAPER. TODAY, HEAVY CONSTRUCTION EQUIPMENT MAKES UP THE BULK OF ITS SALES TO THE SOVIET UNION.

HARVESTER OFFICIALS REFUSE TO SAY HOW IMPORTANT THE SOVIET MARKET IS TO THEIR COMPANY. OBVIOUSLY, THOUGH, THE MARKET IS A SMALL ONE. ONLY TWO PERSONS WORK IN HARVESTER'S MOSCOW OFFICE AND SALES LAST YEAR TO THE SOVIET UNION TOTALED ONLY THIRTY-TWO MILLION DOLLARS, OR ROUGHLY ONE HALF OF ONE PERCENT OF THE BIG COMPANY'S TOTAL WORLD-WIDE SALES.

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WJL/RD